

ARUN PROPERTY INVESTMENTS LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2000



Registered number: 3527607

ARUN PROPERTY INVESTMENTS LIMITED DIRECTORS' REPORT

Directors: P A Rooney
B T Matthews

Secretary: C A Coxon

Registered office: St Leonard's House, North Street, Horsham, West Sussex, RH12 1RJ

Registered number: 3527607

The directors present their report together with the accounts of the company for the year ended 31 March 2000.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The results for the year are set out on page 4 of the accounts.

The directors do not recommend the payment of a dividend and the profit for the year will be transferred to reserves.

Principal activity

The principal activity of the company is the letting of properties to group companies.

Business review and future developments

During the year the company continued to trade profitably and to expand its letting activities. The directors are confident that the company will continue to contribute to the group's business operations.

ARUN PROPERTY INVESTMENTS LIMITED
DIRECTORS' REPORT (continued)

Directors and their interests

The directors of the company at 31 March 2000 are shown above.

No director at 31 March 2000 had any beneficial interest in the share capital of the company. The directors' interests in the share capital of the holding company are disclosed in that company's accounts.

Fixed assets

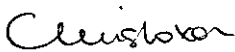
The changes in fixed assets during the year are summarised in note 6 to the accounts.

In the opinion of the directors, the market value of freehold land and buildings is not significantly different to their carrying value in the accounts.

Auditors

Warrener Stewart, Chartered Accountants, of Harwood House, 43 Harwood Road, London, SW6 4QP will continue in office as auditors of the company.

By Order of the Board


C A Coxon

Date ... 29TH JANUARY 2001

AUDITORS' REPORT TO THE SHAREHOLDERS OF ARUN PROPERTY INVESTMENTS LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion, the accounts give a true and fair view of the state of the company's affairs as at 31 March 2000, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Warren Stewart

WARRENER STEWART

Chartered Accountants and Registered Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

Date *31st January 2001*

ARUN PROPERTY INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2000

	Notes	£	1999 £
Turnover	2	79,475	43,927
Operating charges	3	43,058	14,026
Operating profit		36,417	29,901
Interest payable	4	29,851	25,222
Profit on ordinary activities before taxation		6,566	4,679
Tax on profit on ordinary activities	5	4,320	3,270
Profit on ordinary activities after taxation for the financial year		£ 2,246	£ 1,409

The results shown above are derived wholly from continuing operations.

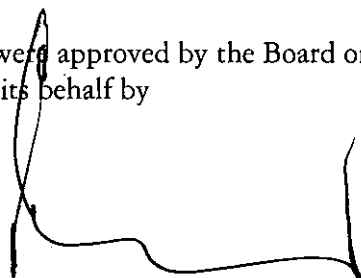
There were no recognised gains or losses other than the profit for the financial year.

The attached notes 1 to 12 form a part of these accounts.

ARUN PROPERTY INVESTMENTS LIMITED
BALANCE SHEET AS AT 31 MARCH 2000

	Notes	£	£	1999 £
Fixed assets				
Tangible assets	6		1,754,000	628,600
Current assets				
Debtors	7	207,557		209,112
Creditors: Amounts falling due within one year	8	1,442,012		476,021
Net current liabilities			(1,234,455)	(266,909)
Total assets less current liabilities			519,545	361,691
Creditors: Amounts falling due after more than one year	9		515,889	360,281
			£ 3,656	£ 1,410
Capital and reserves				
Called up share capital	10		1	1
Profit and loss account	11		3,655	1,409
Equity shareholder's funds			£ 3,656	£ 1,410

The accounts were approved by the Board on 29 January 2001
and signed on its behalf by



P A Rooney
Director

The attached notes 1 to 12 form a part of these accounts.

ARUN PROPERTY INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the accounts.

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises rents receivable.

Depreciation

No depreciation charge is made in respect of freehold properties because the estimated residual value of those properties is not materially different from their carrying amount.

The useful economic life of freehold properties is reviewed at the end of each reporting period and revised if expectations are significantly different from previous estimates.

2. TURNOVER

The turnover and profit for the year are attributable to the principal activity of the company and are derived wholly from within the United Kingdom.

		1999
3. OPERATING CHARGES	£	£
Auditors' remuneration	1,250	750
Other operating charges	41,808	13,276
	<u> </u>	<u> </u>
	£ 43,058	£ 14,026
	<u> </u>	<u> </u>

4. INTEREST PAYABLE

Interest payable on other loans	£ 29,851	£ 25,222
	<u> </u>	<u> </u>

ARUN PROPERTY INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000 (continued)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

		1999
Based on the profits for the year:	£	£
Corporation tax at 30%	£ 4,320	£ 3,270
	<u> </u>	<u> </u>

6. TANGIBLE FIXED ASSETS

	Freehold properties £
Cost:	
At 1 April 1999	628,600
Additions	1,125,400
	<u> </u>
At 31 March 2000	£ 1,754,000
	<u> </u>

		1999
7. DEBTORS	£	£
Trade debtors	4,338	2,500
Amounts owed by parent undertaking	6,750	10,967
Other debtors	1,469	645
Prepayments	195,000	195,000
	<u> </u>	<u> </u>
	£ 207,557	£ 209,112
	<u> </u>	<u> </u>

8. CREDITORS: Amounts falling due within one year

Bank overdraft (unsecured)	76,957	557
Other loans (see note 9)	40,016	39,892
Amounts owed to parent undertaking	815,587	413,143
Amounts owed to group undertakings	493,000	5,942
Current corporation tax	4,320	3,270
Accruals and deferred income	12,132	13,217
	<u> </u>	<u> </u>
	£ 1,442,012	£ 476,021
	<u> </u>	<u> </u>

ARUN PROPERTY INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 March 2000 (continued)

9.	CREDITORS: Amounts falling due after more than one year		1999
		£	£
	Other loans	£ 515,889	£ 360,281
		<u> </u>	<u> </u>

The other loans are secured on the company's freehold properties and are repayable by instalments. The current portion of the loan is £40,016 (1999: £39,892) and is included in creditors falling due within one year. The amount falling due after more than five years is £355,825 (1999: £395,841).

10. SHARE CAPITAL

Authorised:		
Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	£ 1	£ 1
	<u> </u>	<u> </u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Share capital £	Profit & loss account £	Total £
At 1 April 1999	1	1,409	1,410
Profit for the year	-	2,246	2,246
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2000	£ 1	£ 3,655	£ 3,656
	<u> </u>	<u> </u>	<u> </u>

12. ULTIMATE PARENT UNDERTAKING AND CONTROL

The ultimate parent undertaking is Arun Estate Agencies Limited, a company registered in England.

The ultimate controlling party is P A Rooney, who owns 100% of the ordinary share capital in Arun Estate Agencies Limited.